

ARGUMENT AGAINST PROPOSITION 86

VOTE "NO" ON PROPOSITION 86—STOP THE \$2.1 BILLION TAX HIKE!

We all want to improve our healthcare system, but Proposition 86 is the wrong solution. Prop. 86 is an unfair tax increase supported by special interests who are amending our Constitution to benefit themselves.

Prop. 86's proponents say it's about encouraging people not to smoke, but it isn't. It's really a money grab by huge hospital corporations who will reap hundreds of millions of taxpayer dollars each year!

- Less than 10% of the tax revenues go toward helping smokers quit or keeping kids from starting.
- The largest share—almost 40%—goes to hospitals, many of which are funding the campaign for the new tax.
- HMOs will pocket *millions* from Prop. 86.

WHY ARE HUGE HOSPITAL CORPORATIONS SPENDING MILLIONS TO PASS PROP. 86?

- Hospitals wrote Prop. 86 to give themselves an exemption to antitrust laws, giving them legal protection to *divvy up and limit* many medical services, and then *raise prices* without worrying about competition.
- Prop. 86 puts no limits on what hospitals can bill taxpayers for emergency services for the uninsured. Why should hospitals be allowed to charge taxpayers several times what they charge insurance companies for the same treatment?

PROP. 86: ANOTHER LOTTERY MESS

Like the state lottery, it will be nearly impossible for voters to know how the new taxes will be spent. Prop. 86 lists program after state program that gets a cut of the estimated \$2.1 billion in new tax revenue.

PROP. 86: NO ACCOUNTABILITY TO TAXPAYERS

Prop. 86 throws millions of dollars at new bureaucratic state programs without adequate legislative or governmental

oversight. There are NO GUARANTEES how the money will actually be spent or assurances the money won't be wasted.

PROP. 86: INCREASES OUR DEFICIT

Prop. 86 contains *38 pages of spending mandates*. But experts agree that the amount of money raised by this tobacco tax will decline over time. Declining revenues and demands to fund Prop. 86's programs will only worsen our deficit. Other important programs like education, transportation, and law enforcement might have to be cut, or taxes raised further.

PROP. 86: INCREASES CRIME

Law enforcement groups oppose Prop. 86 because it will increase crime and smuggling. Stolen and smuggled cigarettes are already a big source of money for gangs and organized crime. If Prop. 86 passes, a *single truckload of stolen cigarettes could be worth over \$2 million* to criminals.

PROP. 86: UNFAIR

Prop. 86 taxes smokers to pay for programs that have nothing to do with smoking, like obesity programs. Less than 10% of the tax revenues go toward helping smokers quit or keeping kids from starting.

PROP. 86: LOCKED INTO OUR CONSTITUTION

Proposition 86 amends our Constitution and statutes. When problems and abuses are discovered, it will be nearly impossible for the Governor or the Legislature to fix them. The Constitution should not be changed for a special interest money-grab.

Please join health professionals, law enforcement, taxpayers, and small businesses in voting NO on Proposition 86.

LARRY MCCARTHY, President
California Taxpayers' Association

JAMES G. KNIGHT, M.D., Past President
San Diego County Medical Society

STEVEN REMIGE, President
Association for Los Angeles Deputy Sheriffs

REBUTTAL TO ARGUMENT AGAINST PROPOSITION 86

Make no mistake; big tobacco corporations are bankrolling opposition to Prop. 86.

Raising cigarette taxes means fewer people will smoke—especially kids. That hurts tobacco company profits.

They've seen the report by the California Department of Health Services which says that Prop. 86 will reduce the number of cigarettes sold in California by 312 million *packs* each year.

The report also says that Prop. 86 will prevent 700,000 kids from starting to smoke and save 300,000 lives.

Tobacco companies invest over \$1 billion a year marketing cigarettes in California. This is a market they won't give up without a fight.

When executives of the tobacco companies were called before Congress and put under oath, *incredibly*, each and every one of them lied by testifying that cigarettes are not addictive.

They lied to Congress under oath and now they're lying to you.

Their arguments against Prop. 86 are outright distortions and untruths.

Read Prop. 86 for yourself. You'll see that it includes specific and tough financial safeguards, independent audits, and strict limits on administrative costs. Funding is directed to proven, successful public health programs.

Californians pay more than \$8 billion each year in medical costs due to smoking—that's \$700 per family per year—whether you smoke or not. The Department of Health Services report confirms that Prop. 86 will help reduce those costs.

Big tobacco will do, say, and spend anything to defeat Proposition 86. *Don't believe it.*

Save Lives. Reduce Smoking.

Vote Yes on Proposition 86.

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